1300 magawatts. We have achieved more then 80,000 megawatts so far. No doubt, compared with other developing countries, it is a good generation, but, due to our growing demand, the gap is becoming wider and wider day by day. The hon. Member has rightly mentioned about the bureaucratic delays and everything else. It is only looking at this scenario that we have finalised the Common Minimum National Action Plan. All Chief Ministers have agreed to it. The major reasons for delay in the coming up of projects are delays in land-acquisition, putting up infrastructure etc. So many reasons are there. But we are expecting better results now compared with the Eighth Plan. We have gained experience during the Eighth Five-Year Plan and also have had representations from I.P.P.S. After liberalisation we have been delegating more powers to the States and have also taken a lot of initiatives like restructuring the Electricity Boards, rational fixation of tariff and improvement of the operation and other maintenance capacities. We expect capacity of 1953 magawatts of capacity in the private sector in the eighth plan. In fact, we expect them to generate more. Previously power companies were expressing their inability because for every project they had to come for grant of permission to the Central Electricity Authority which, before we came to power, was dealing with almost every case of granting permission. After this Government came to power, we minimised the number of permissions and restricted it. Like that in all the areas, whether it is the area of granting permissions or the area of speedy implementations, we have taken a lot of initiatives. With this I hope the private participation will be better now compared to what it was during the Eight Five-Year Plan.

MR. CHAIRMAN: We have taken 20 minutes on this question. question No. 182. Hon. Members are absent.

*182. *[The questioners (Shri Surinder Kumar Singla and Dr. Shrikant Ramachandra Jichkar) were absent for answer, vide Col. 35 infra]*

Norms for operation of Private Corporates in the Power Transmission

*183. SHRI RAMDAS AGARWAL:† SHRIMATI VEENA VERMA:

Will the PRIME MINISTER be pleased to state:

(a) whether Government have set up an expert committee to work out the norms for operation of private corporates in the power transmission business, as reported in the Hindustan Times dated the 18th February, 1997;

(b) how much time Government are likely to take for selection of private companies for award of transmission contracts, including principles for bid solicitation and evaluation tariffs. etc.;

(c) whether Government propose to enact any legislation for recognition of transmission as a separate business activity, distinct from generation and distribution, during the current Budget Session;

(d) if so, the details thereof; and

(e) the response of private sector entrepreneurs thereto, indicating the specific projects offered, the number and details of applicants and Government's decision in respect thereof?

THE MINISTER OF STATE IN THE MINISTRY OF POWER (DR. S. VENUGOPALACHARI): (a) Yes, Sir. A Committee of Experts has been constituted on 17th February, 1997 to suggest guidelines for determination of tariff having regard to operational parameters such as line availability.

(b) to (e) A Statement is laid on the Table of the House.

Statement

(b) A legal framework has now been established for promoting transmission

†The Questions was actually asked on the floor of the House by Shri Ramdas Agarwal.

projects in the public, private and joint sector. The responsibility for selection of transmission licensees for execution of intra-state and inter-state transmission projects vests with the concerned State Governments and Central Government respectively. The State Governments have been advised to identify the transmission projects and prepare feasibility reports for the purpose of bid solicitation.

(c) and (d) The Electricity Laws (Amendment) Ordinance, 1997 was promulgated on 24th January, 1997 to recognise transmission as an independent activity. The transmission activity will be regulated by issue of transmission licences. The operation of the lines established by the Transmission Licences would be regulated by the State/Regional Load Despatch Centre in respect of intra-state and inter-state lines respectively in order to ensure integrated operation of the system. It is proposed to introduce a Bill to replace the Ordinance during the current session of the Parliament.

(e) The Government of Karnataka have identified a transmission project to be taken up by a Joint Venture Company for the evacuation of power from the Mangalore area.

श्री रामदास अग्रवाल: सभापति महोदय, अभी मेरे प्रश्न से पूर्व पावर पर कुछ प्रश्न आप के सामने आ चुके हैं। हमारे देश में पावर की बहुत कमी है, यह हम सभी मानते हैं और उस का इलाज भी पिछली सरकार ने और जो वर्तमान सरकार है, शायद उस ने भी करने की कोशिश की है। लेकिन सभापति महोदय, ऐसा लगता है कि जैसे-जैसे इलाज किया, मर्ज़ बढ़ता ही जा रहा है। समझ में नहीं आता कि पावर क्राइसिस का अंतिम समाधान कैसे और कब होगा? कौनसी शताब्दी में होगा, यह तो आप को तय करना है, लेकिन मेरा जो प्रश्न है, वह तो मूल इस समय ट्रांसमीशन का है जिस के लिए आप एक नया कानून बनाने जा रहे हैं। इस कानून के संबंध में मैं मंत्री महोदय से जानकारी चाहता हूं कि आप ट्रांसमीशन के लिए प्राइवेटाइजेशन कर रहे हैं और ज्वॉइंट वेंचर में या किसी एन०आर०आई० को या किसी विदेशी कंपनी को देने का विचार कर रहे हैं, इस लिए मेरा सीधा प्रश्न यह है कि क्या सरकार ने इस प्रकार की कोई जांच की है या परीक्षण किया है क्योंकि पावर टैरिफ एक चीज है और ट्रांसमीशन दूसरी चीज है, तो इन दोनों का "कॉस्ट रेशियो" आप ने कैलकुलेट किया है कि पावर टैरिफ के साथ अगर मान लीजिए पावर प्रोडक्शन कॉस्ट 1 रुपया आती है तो ट्रांसमीशन के लिए जो कॉस्ट आएगी, वह 10 पैसे, 15 पैसे या 25 पैसे होगी? क्या इस प्रकार का आप ने अध्ययन किया है। क्या आप कानून में ऐसा प्रोवीजन करने वाले हैं कि उस के अंतर्गत जो प्राइवेट पार्टीज ट्रांसमीशन के लिए काम करेंगी, उन के लिए आप कोई रेशियो फिक्स अप करेंगे प्रोडक्शन के साथ में या उन को फ्री हैंड देंगे?

सभापति महोदय, अभी अखबारों में जो चर्चा आई हैं, माननीय मंत्री जी को पता होगा और कानून में जिस प्रकार का प्रावधान करने का प्रयास किया जा रहा है, उस के मुताबिक उन को खुली छूट दी जाएगी कि वे ट्रांसमीशन लाइन के रेट्स तय कर सकते हैं। महोदय, मैं यह इसलिए निवेदन करना चाहता हूं क्योंकि ट्रांसमीशन...

MR. CHAIRMAN: Please conclude. You have asked the question already. Let the Minister answer.

श्री रामदास अग्रवाल: माननीय यह प्रश्न से ही संबंधित है। मैं जानना चाहूंगा कि उस सारे प्रश्न में से आप दोनों का समाधान किस तरह से निकाल रहे हैं ताकि किसी को खुली छूट न मिले?

DR. S. VENUGOPALACHARI: Sir, the power scenario in India so far was that whatever we spent, whether in the Central sector or in the State sector, was spent only on generation of electricity. We totally neglected the transmission and distribution sector. Now a consensus has come about that because of high transmission and distribution losses, the Electricity Boards are unable to function. The Bill that we propose to introduce during this Session will only facilitate the functioning of Electricity Boards. The existing electricity supply companies were so far responsible for generation and distribution of electricity.

They can lay the transmission lines. As far as the Electricity Supply Acts of 1910 and 1948 are concerned, it doesn't permit the privatisation of transmission sector.

After the receipt of the Committee's report, we would evolve some method and then write to the private IPP. They would identify the lines and projects. Then, they prepare the feasibility report. After identifying everything, we are providing this facility to the Electricity Board. The Electricity Board can go in for a joint venture with the power grid in the Central sector or they can directly entrust it to the private sector. If the financial position of the Electricity Board is sound, they can take it up on their own. It is only facilitation. We are not imposing any condition from here. Through an amendment, we are facilitating this thing. I think the Members can have a detailed discussion when the Bill comes up for discussion in this House.

श्री रामदास अग्रवाल: सभापति महोदय, मैं मंत्री जी से यह जानना चाहता हूं कि अगर आपने टैरीफ, कर लगाने की छूट उनको पूरी तरह से दे दी तो क्या इसका मिसयूस वे नहीं करेंगे? आखिर, कोई तो उनके ऊपर नियंत्रण होना चाहिए, कुछ उसकी व्यवस्था होनी चाहिए, कानून में कोई उसका प्रोवीजन होना चाहिए। मेरा दूसरा प्रश्न, महोदय, यह है कि ट्रांसमिशन लाइन्स के बारे में आप जो विचार कर रहे हैं प्राइवेटाइजेशन करने का, उस स्थिति में यह जो प्राइवेट कंपनीज आएंगी या ज्वायंट वेन्चर्स आएंगे, तो जो वर्तमान में आपकी ट्रांसमिशन लाइन्स हैं सरकार की, केन्द्र सरकार की या राज्य सरकार की, उसके लिए क्या आप कानून में यह भी प्रोवीजन करने वाले हैं कि जो एग्जिस्टिंग लाइन्स हैं इनको भी आप प्राइवेट वेन्चर्स को देने के लिए तैयार होंगे या नहीं होंगे?

DR. S. VENUGOPALACHARI: Mr. Chairman, Sir, even though we allocate only transmission lines, the Transmission Company have to build the lines. They have to operate and maintain them. But generation is with the Load Despatch Centre whether it is in the Central Sector or in the State sector. We are not giving generation to the private sector. The grid operation is completely under the control of the State Load Despatch Centre which is under the State or under the Centre.

So far as fixation of tariff is concerned, it would be as per the contractual agreement provided in the transmission service agreement which would be signed by the private company. The structure and parameters for the tariff have to be decided by the concerned State Government or the concerned State Electricity Board. To assist them in this task, the Ministry of Power has constituted a Committee consisting of experts to deal with the subject to give their recommendations. As soon as we receive their recommendations, we would issue the guidelines to all the concerned States.

श्रीमती वीणा वर्मा: माननीय सभापति महोदय, रोटी, कपड़ा और मकान के बाद देश में बिजली की सबसे ज्यादा जरूरत है और बिजली के संबंध में, ट्रांसमिशन के संबंध में घाटा दिनों-दिन बढ़ता चला जा रहा है। चोरी छिपे भी बिजली ली जा रही है, क्लैंडेस्टाइन जो इंडस्ट्रीज हैं वहां बड़ी मात्रा मे इसकी चोरी होती है और दूसरी तरफ राज्य सरकारें बहुत से प्राइवेट वेन्चर्स को फ्री गिफ्ट में भी बिजली देने को तैयार हैं किसी न किसी सैक्टर में। मैं मंत्री जी से पूछना चाहूंगी कि क्या इस तरह से एक क्रियोसिस नहीं पैदा हो जाएगा? इसके बारे में एक्सपर्ट कमेटी के पैनल में यह बात आई थी कि किस तरह से ट्रांसमिशन और डिस्ट्रिब्यूशन में क्रियोसिस बढ़ा है। दूसरे, जैसे आपने पावर जनरेशन में काउण्टर के लिए इन्वाइट किया था, लेकिन एनरोन जैसी बड़ी संस्था भी इसमें काउण्टर गारंटी में इंटरेस्टेड नहीं थी। तो क्या आप इस तरह के प्राइवेट वेन्चर्स जो अट्रेक्ट करने जा रहे हैं, इनको भी ट्रांसमिशन और डिस्ट्रिब्यूशन में काउण्टर गारंटी देने के लिए सरकार विचार कर रही है या नहीं?

DR. S. VENUGOPALACHARI: Mr. Chairman, Sir, there is no question of giving counter-guarantee.

To make the State Electricity Board viable, we are setting up two Regulatory Commissions—the State Regulatory Commission and the Central Regulatory Commission. The State Regulatory Commission would look into the tariff structure for agriculture, industrial, commercial and domestic purposes. The

Central Regulatory Commission would look into inter-State supply. In this connection, we would be introducing a Bill in Parliament. Then, we can look into the parameters of the tariff structure.

SHRIMATI VEENA VERMA: What about the counter-guarantee?

DR. S. VENUGOPALACHARI: There is no question of a counter-guarantee.

SHRIMATI RENUKA CHOWDHURY: Mr. Chairman, Sir as my colleague has stated, what is the policy of the Government with regard to counter-guarantee? Do we have a specific programme when we invite private entrepreneurs for investment?

How are we going to calculate these transmission losses? How do we propose to escape from attracting that factor? The other issue is, in all these questions on power today, I have not heard the hon. Minister speaking about the non-conventional energy which is the need of the hour in our national power deficit status today. What are the proposals that we have in the pipeline? What about Getro Power which is being used the world over in generation of non-conventional energy in the power sector?

DR. S. VENUGOPALACHARI: Sir, I have already stated about the parameters. As regards identifying the transmission losses in the transmission sector, they are identifying the transmission lines and the window lines. They have to operate the lines.

SHRIMATI RENUKA CHOWDHURY: No, no. What is the status of counter-guarantees? When the State or the nation is willing to give a guarantee, what is our status regarding that?

DR. S. VENUGOPALACHARI: So far as alternative counter guarantees are concerned, various alternative counter guarantees are under the consideration of the Government.

SHRIMATI RENUKA CHOWDHURY: Sir, I seek your protection. When we talk about considering counter guarantees, is the concept of transmission losses or transmission charges included in it or not? Are we going to give—guarantees for this also?

DR. S. VENUGOPALACHARI: We are not giving any further counter guarantees. One thing is very clear, Sir. In respect of alternative counter guarantees, we are thinking of various methods. The Government has set up a Committee and this issue is under their consideration. The hon. Member also put a question about Getro Power which is being used the world over in generation of non-conventional energy in the power sector. The hon. Prime Minister has entrustd this job to Capt. Jai Narayan Prasad Nishad and the Government is committed to the use of non-conventional energy. The Government of India is laying more emphasis on solar energy and biomass and is propagating the use of solar cookers. This Government is equally concerned about promoting the use of non-conventional energy.

SHRI BRAHMAKUMAR BHATT: There is one corporation, known as the Power Grid Corporation of India, and the Power Grid Corporation of India has got its own transmission lines. It is a public sector company and it is supposed to transmit power from one State to another State. Now what is going to happen to the Power Grid Corporation of India? Are we going to paralyse it? Are we going to wind it up and give the job of transmission to private companies? What will be the charges of the private companies? So far as I know, the Power Grid Corporation of India wants a wheeling charge of 22 per cent, which is a very, very high charge. The Governemnt is requesting the Electricity Boards for wheeling power at 2 per cent and the Power Grid Corporation of India wanted it at 22 per cent. So, the Government of Gujarat rejected it. But what is going to

be the status of the Power Grid Corporation of India? I would like to know whether the Government is going to hand over more transmission jobs to the Power Grid Corporation of India. What is going to be the wheeling charges, as roughly estimated by the Governemnt, for the private transmission companies which are likely to come?

DR. S. VENUGOPALACHARI: Sir, as regards billing charges, for lack of initiative, not to speak of the private transmission companies, even our own Power Grid Corporations are not getting sufficient billing charge. The fixation of tariff for the Power Grid Corporation is a problem. It is only an *ad hoc* change, and after the passage of the Bill, the Power Grid can also participate in the tender. We are not going to wind it up. The Power Grid Corporation will play a leading role. As regards tariff, the tariff is based on the recommendations of the Committee.

SHRIMATI RENUKA CHOWDHURY: Where is the level playing field? How can the private sector and the public sector compete when there is no level playing field? I would like to know whether they consciously closed it down or they are going to close it down now.

DR. S. VENUGOPALACHARI: There is no question of winding it up. According to the Act, only the Power Grid will fix the billing charges. In the States are not paying the billing charges. The hon. Member, Shri Bhatt, referred to the position prevalent in Gujarat. I think they might have not received the payment in Gujarat and that is why, they closed it down. But in other States they are not getting even the minimum charges. After the passage of this Bill, the Power Grid may have some control over it. This is only an *ad hoc* change. After the passage of the Bill, the Power Grid can take up any project because it can impose any charge. (*Interruptions*)

SHRI BRAHMAKUMAR BHATT: No, Sir. Will you give preference to the Power Grid Corporation? What is the mind of the Government?

SHRI DIPANKAR MUKHERJEE: Sir, as far as I know, regarding this Ordinance as also privatisation of transmission business, the Governments of Kerala and West Bengal have already indicated their opposition to them. Now my point is this. When power generation, distribution and transmission were under one sky, the costing was done by taknky, the costing was done by taking into account capital cost, fixed cost and variable costs. In the market economy for transmission costing a formula has been given. The Minister may say that. It includes components like capital cost, opportunity cost and reliability cost. It means that, if transmission is given to a private contractor, if a certain amount of power which is assured does not flow, compensation has to be given for that also. There are so many clauses. The whole idea now is to keep generation separate with a return. All these components will be considered for transmission and then comes distribution. Has this been the power economists' job? Has this tariff business been gone into? What will be the impact of these things on the tariff at the consumer end in all the places? What will be its impact on the economy? I would like the Minister to place the report of the expert committee before the Parliament. That has to be done. I would like to have a study made on the tariff position, on the tariff business, after the privatisation of generation, transmission and distribution. It has to be spelt out and its impact on the economy has to be spelt out before you go on doing all these exercises which you have failed to do in the last five years so far as generation is concerned. This is a very serious issue. It can not be taken lightly like having two meetings here and there and getting one consensus circulated. There are many other things which are very important. That is what Mr. Brahmakumar Bhatt

had pointed out. I have to inform you, Sir, today the collapse of grid is happening because of this grid indiscipline. There are six grid collapses in the northern zone. There is no one to control the grid. Earlier the CEA used to control it. Today the Power Grid Corporation does it. For the last three years we have been talking of shortage of power in the eastern zone. There is no power. You will be amazed to know that in the last three years and in the current financial year from March to December on 43.5% of the days power was being given at an over-frequency of more than 50 cycles per second. That is the energy loss, the energy waste. When this is the position of the grid control, we are talking of privatisation of transmission. Should this be given on a platter to a shopkeeper? I want the expert committee report to be placed before the Parliament and I want specific clarifications on tariff and transmission.

SHRI SURINDER KUMAR SINGLA: Sir, it is a very serious question. (*Interruptions*)... The Prime Minister is here. (*Interruptions*)...

MR. CHAIRMAN: The Minister is answering. (*Interruptions*)...

SHRI SURINDER KUMAR SINGLA: The Prime Minister is here. (*Interruptions*)...

MR. CHAIRMAN: Let the Minister answer. (*Interruptions*)... Let the Minister answer. (*Interruptions*)...

DR. S. VENUGOPALACHARI: Sir, I am working under the guidance of the Prime Minister only. Mr. Dipankar Mukherjee mentioned about West Bengal and Kerala. The West Bengal State Electricity Board Chairman participated in the meeting and he appreciated the common minimum national programme about the setting up of an independent regulatory commission. We have not received any negative proposal from any part of the country after the circulation of the proposal for privatisation of transmission. All of them have accepted it. (*Interruptions*)...

SHRI DIPANKAR MUKHERJEE: All of them have not accepted it. (*Interruptions*)... I am talking of West Bengal. (*Interruptions*)...

DR. S. VENUGOPALACHARI: I am telling you about West Bengal only. The Kerala Minister had written a letter to me. That letter is with me. He raised two or three issues. As I rightly said, we are only providing this facility. We are not forcing the State Electricity Boards to compulsorily privatise these lines. At present the Act does not permit it. This Act relates to generation and distribution only. As far as transmission is concerned, the act does not permit it. Now we are proposing to amend this Act by introducing a Bill in the House. We are not forcing any State Electricity Board. If the State Electricity Boards want it, they can do it. (*Interruptions*)...

SHRI DIPANKAR MUKHERJEE: What are you talking? There is a national grid. Who is going to control the national grid? (*Interruptions*)...

DR. S. VENUGOPALACHARI: I am coming to the point, Mr. Mukherjee. In the present scenario a private transmission company would not have direct control over grid operation. I am specifically telling you that the private companies do not have any control over grid operation. The control of grid operation lies with the load despatch centre which is in the State sector. The control is going to be absolutely with the State sector. It is required to maintain the facilities. It is an integral part of the State or regional system. The control of grid operation is with the load despatch centre, whether it is State or regional. The main purpose of the grid is to facilitate transmission of power.

SHRI SATISH AGARWAL: Sir...

MR. CHAIRMAN: I have to go to the other question. Power has been discussed...(*Interruptions*)... Question No. 184...(*Interruptions*)...

SHRI SATISH AGARWAL: Sir, this is a very important question...(*Interruptions*)...

MR. CHAIRMAN: We have to discuss some other thing also. The other question is also concerning power. Let the question be answered, then I will call you.

States Facing Power Deficit

*184. SHRI JOY NADUKKARA: Will the PRIME MINISTER be pleased to state:

(a) which are the five States which stand ahead in power deficit;

(b) whether power supply to some States from the Central Pool was increased recently;

(c) whether Karnataka is one of the States thus benefited; and

(d) whether any reduction in the power supply to Kerala was made from the Central Pool, and if so, to what extent and the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF POWER (DR. S. VENUGOPALACHARI); (a) to (d) A Statement is laid on the Table of the House.

Statement

(a) The five States with highest energy shortage during the period April, 1996 to January, 1997 are as under:

States	Energy Shortage (%)
1. Arunachal Pradesh	48.6
2. Bihar	27.6
3. Karnataka	26.1
4. Tripura	23.3
5. Kerala	23.2

(b) to (d) The allocation of power from the Central share (15 per cent of installed capacity of Central generating stations) is made to the constituent States and reviewed from time to time depending on the prevailing power supply position. The details of the allocation made are as under:

State	Percentage share		
	with effect from 1.10.1996	with effect from 1.1.197	with effect from 10.2.1997
1. Andhra Pradesh	30	25	30
2. Karnataka	30	40	40
3. Kerala	30	25	27
4. Tamil Nadu	10	10	3

SHRI JOY NADUKKARA: Sir, from the answer it is clear that Kerala is among the five States with the highest energy shortage. At present, Kerala is faced with very serious power cuts. This is the first time in the history of Kerala that we are facing power cuts during the rainy season. Examinations are coming near. The SSLC examinations would be starting very soon. College examinations will come after that. Eighty-five thousand to one lakh students would be appearing for University examinations. It has been said that there would be no power cuts during examination time. Power cuts have led to very serious incidents there. It has resulted in students organisations calling for an agitation. As a result of that more than three MLAs were arrested. Police have trespassed into more than three party offices. *Bundhs* have been declared in various districts. In Kottayam and Palghat, many unfortunate incidents have taken place. As a result of